

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
233 RICHMOND STREET  
PROVIDENCE, RHODE ISLAND 02903

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IN THE MATTER OF:

CASHPOINT NETWORK SERVICES,  
INC.

Respondents.

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DBR No. 04-B-0053  
DBR ORDER NO. 02-105

**EMERGENCY ORDER SUSPENDING RHODE ISLAND MONEY  
TRANSMITTER LICENSE**

Pursuant to R.I. Gen. Laws §§ 19-14-1 *et seq.*, and 42-35-14, the Director ("Director") of the Rhode Island Department of Business Regulation ("Department") issues this Emergency Order to Suspend the Money Transmitter License ("Order") of Cashpoint Network Services, Inc.. This Order shall be effective upon issuance.

The Director makes the following findings of fact and conclusions of law with respect to entry of this Order:

1. Respondent is a corporation whose principal place of business is 143 West 72<sup>nd</sup> Street, New York City, New York 10023.
2. Respondent, currently holds a Rhode Island Money Transmitter License # 20021322 (the "License").
3. According to the Annual report filed with the Department on March 17, 2003, Samuel R. Brevdah is the President of Respondent.
4. On April 23, 2004, the New York State Banking Department issued a thirty (30) day Suspension Order ("New York Order") to

Respondent, suspending all of its money transmitter activities within the State of New York.

5, The New York Order cites the following grounds for the issuance of the New York Order:

- a). Respondent has failed to pay approximately \$13 million that is due and owing to a New York Chartered bank;
- b). Respondent owes approximately \$20-25 million to other creditors, including monies due and owing to beneficiaries of money transmission transactions conducted by Respondent; and
- c). Respondent has failed to maintain its books and records in a condition that would allow bank examiners to determine that Respondent or any of its agents or subagents are in compliance with applicable New York.

5. On April 23, 2004, the New York Banking Division estimated that the monies due and owing other creditors, including beneficiaries of money transmission transactions conducted by the Respondent has risen to over \$75 million.

6. As of the last annual report filed with the Department, Respondent has fifty-four (54) agents located in the State of Rhode Island receiving payments from Rhode Island citizens for payment of various utility bills.


7. On April 23, 2004 the New York Banking Division upon information and belief characterized the condition of Respondent as resultant from a major incident of defalcation and embezzlement.

Based on the foregoing, the Director finds that due to the seriousness of the violations by Respondent, the public safety and welfare imperatively require that the License issued to Respondent be suspended immediately.

Accordingly, it is hereby ORDERED:

1. The Rhode Island Money Transmitters License issued to Respondent is hereby immediately suspended as of Friday, April 23, 2004.
2. All Respondents shall maintain all books and records, including those in electronic format, related to the findings in this Order until further order of the Department.
3. Respondent shall file with the Department a listing of all its current agents located in the State of Rhode Island within one (1) week from the execution of this Order.

Dated as of the 23<sup>rd</sup> day of April, 2004.

  
Marilyn Shannon McConaghy  
Director  
4:52 pm

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF  
THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF  
RHODE ISLAND.

**CERTIFICATION**

I hereby certify on this \_\_\_\_\_ day of April, 2004, that a copy of this Order was sent by certified mail, return receipt requested and by first class, postage prepaid to:

CashPoint Network Services, Inc.  
143 West 72<sup>nd</sup> Street  
New York, NY 10023

Holland & Knight, LLP  
One Financial Plaza, Suite 1800  
Providence, RI 02903

And by hand-delivery to:

Dennis Zirolì, Associate Director, Department of Business Regulation, 233 Richmond Street, Providence, RI 02903

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